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STRATEGIC BRAND MANAGEMENT

A EUROPEAN PERSPECTIVE

SECOND EDITION

P Pearson

Strategic Brand Management

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Brand Briefing 6.3 *continued*

trailers, and other long-form advertisements that viewers can access on DVRs. Several companies offer technology to help satellite and cable operators target viewers with customized ads. Companies such as Honda and Miramax Films have already used interactive commercials that use DVD-like menus to give viewers options.

The challenge is that advertisers don't know how many people will go into the interactive ads and how far into the ad they will venture. But experimentation with interactive ads is growing and some view them as a potential venue for educational programming. One problem the ads present is that they take a long time to produce. Ultimately, executives are hoping interactive ads will be more appealing than traditional ads because viewers control them and decide when they want to watch them.

Sources: Megan Larson, 'Fast forward', *Adweek*, 4 April 2005; Allen P. Adamson, 'I love you, TiVo, now change', *Advertising Age*, 17 January 2005; Tony Case, 'Sizing up PVRs', *Brandweek*, 20 September 2004; Diane Anderson, 'Second act', *Adweek*, 4 April 2005.

Brand Briefing 6.4

Changing media consumption habits in Europe (2006)

A pan-European study in 2006 by the European Interactive Advertising Association (EIAA), showed some interesting facts about online habits:

- Social networking websites were used by nearly a quarter of Europeans, at least once a month.
- Europeans were spending on average over 11 hours a week online.
- Broadband penetration was up 14 per cent across Europe year on year.
- About 70 per cent of Europeans spent the majority of their time online for personal reasons rather than for work.
- Consumer confidence towards the internet was high, with nearly half of Europeans choosing the internet as their preferred media to find what they wanted quickly.
- Europeans spent 28 per cent more time on the internet in 2006 than they did in 2004.
- This extra time is not taken from other media. Radio and magazine media consumption also increased from 2004 to 2006, by 14 per cent and 11 per cent, respectively.

Source: EIAA Mediascope Europe Study 2006, June 2007, www.eiaa.net

By any number of measures, the effectiveness of any single ad, on average, has diminished. For example, Video Storyboards noted that the number of viewers who reported that they paid attention to TV ads dropped significantly in the last decade. As a result, some marketers are rethinking their media plans. Consider for example how Kraft Foods used social media and other means to activate consumers in Brand Briefing 6.5.

In designing and evaluating an ad campaign, it is important to distinguish the *message strategy* or positioning of an ad (i.e. what the ad attempts to convey about the brand) from its *creative strategy* (i.e. how the ad expresses the brand claims). Designing effective advertising campaigns is both an art and a science: the artistic aspects relate to the creative strategy of the ad and its executional information; the scientific aspects relate to the message strategy of the ad and the brand claim information it contains. Thus, as Figure 6.6 describes, the main concerns in devising an advertising strategy are:

- defining the proper positioning to maximize brand equity;
- identifying the best creative strategy to communicate or convey the desired positioning.

Chapter 3 described issues with respect to positioning strategies to maximize brand equity. Creative strategies can be classified as either informational (i.e. elaborating on a specific product-related attribute or benefit) or transformational (i.e. portraying a specific non-product-related benefit or image).[12] These categories each encompass specific creative approaches. Regardless of which approach is

Define positioning to establish brand equity

Competitive frame of reference
- Nature of competition
- Target market

Point of parity attributes or benefits
- Necessary
- Competitive

Point of difference attributes or benefits.
- Desirable
- Deliverable

Identify creative strategy to communicate positioning concept

Informational (benefit elaboration)
- Problem solution
- Demonstration
- Product comparison
- Testimonial (celebrity or unknown consumer)

Transformational (imagery portrayal)
- Typical or aspirational usage situation
- Typical or aspirational user of product
- Brand personality and values

Motivational ('borrowed interest' techniques)
- Humour
- Warmth
- Sex appeal
- Music
- Fear
- Special effects

Figure 6.6   Factors in designing effective advertising campaigns

Source: Based in part on a framework in John R. Rossiter and Larry Percy, *Advertising and Promotion Management*, 2nd edn, New York: McGraw-Hill, 1997.

Brand Briefing 6.5

Save Christmas – revitalizing a 70-year-old chocolate box

For the last 70 years, the Aladdin chocolate selection has been a Christmas classic in Swedish homes, with 4 million boxes sold each year. Even though the brand is well known and appreciated, it has changed so much in appearance and content that the traditional values and meaning have started to deteriorate. Many consumers saw Aladdin as outdated and old fashioned. So, the challenge for the brand owners at Kraft Foods Sweden/Marabou was to revitalize the brand and at the same time affirm and stay true to its traditional values. In this context, Kraft Foods Sweden/Marabou wanted to remind consumers of Aladdin as a brand and its role in Christmas celebrations. They also wanted the prime target group, families with younger children, to encounter and interact with the brand through new media channels and in a new context. So how do you get an entire country to talk about a box of chocolates that has been around for 70 years?

For Christmas 2009 a new chocolate was to be introduced into the box. But instead of talking about the new sweet, Kraft Foods and their PR and advertising agencies decided in 2009 to focus on the one that would be taken away to make room for it. To engage and involve people in the campaign, the Swedish people were given the chance to defend and make the case for their favourite chocolate. Through the 'Save Christmas' campaign, the communication was converted into a question of democracy by letting the people's vote decide which chocolate would have to go. Four weeks prior to Christmas, a digital polling station was created on a campaign site, where people got the chance to make their voice heard. Bloggers were also contacted before the launch in order to start the debate. A fan page on Facebook was created in order to mobilize fans and create forums for discussion. To strengthen the bond between chocolate lovers and their favourite sweet in the box, every chocolate in Aladdin was given its own personality. By using an application on the Facebook fan page, users received a humorous personality analysis based on their favourite chocolate. A competition was also initiated between chocolate fans for the one who ran the best campaign to save their favourite sweet. Campaign material was easy to download and, as the competition grew, the best campaigns were published on a blog to inspire others. The largest tabloid in Sweden, *Aftonbladet*, received information in advance about the campaign and also about the final loser, resulting in newspaper articles at launch of the campaign site and when the voting was over.

The fans turned out to be truly loyal to their favourite chocolates. Film clips, posters, Facebook groups, fan pages, T-shirts and blogs dedicated to specific chocolates were created. In only four weeks, the campaign caught nationwide interest, resulting in 400,000 votes (approximately 5 per cent of the Swedish population). More than 15,000 people became fans of the campaign and 300 bloggers wrote about it. Over 140,000 people took the chocolate test on Facebook and the application was No. 4

Brand Briefing 6.5 *continued*

on the list of the fastest-growing applications in the world at that time. During the Christmas period, sales increased by 26.5 per cent compared to the previous year, despite heavy competition from new chocolate competitors in store. The campaign resulted in a media coverage of over 33 million people, Aladdin's market share increased by 2.8 per cent and its profits rose by 44 per cent over the period. As it turned out, the chocolates in the Aladdin box received more votes than the most voted-for politician in the 2009 Swedish election for the European Parliament. Another win for democracy! So yes, people did definitely strengthen their relationship to the Aladdin chocolate selection.

The campaign won gold for Best Use of Social Media and silver for Consumer Goods in the PR category at Cannes Lions International Advertising Festival in 2010.

Source: www.canneslions.com; www.primegroup.com; www.ogilvy.se; www.kraftfoodsnordic.com; www.raddajulen.nu

taken, certain motivational or 'borrowed interest' devices are often employed to attract consumers' attention and raise their involvement. These devices include the presence of cute babies, frisky puppies, popular music, well-liked celebrities, amusing situations, provocative sex appeal or fear-inducing threats. Such techniques are thought to be necessary in the tough media environment characterized by low-involvement consumer processing and much competing ad and programming clutter.

Unfortunately, these attention-grabbing tactics are often *too* effective and distract from the brand or its product claims. Thus, the challenge in arriving at the best creative strategy is working out how to break through the clutter to gain the attention of consumers but still be able to deliver the intended message. Consider how Virgin chose to introduce its credit card in Australia.[13]

Virgin credit card

When the card was launched in Australia, 80 per cent of the market was dominated by four banks and the rest was crowded with 300 other cards. Australians had low expectations with regard to their credit cards. Most cards charged an annual fee of at least $68.4, with interest rates of 16–18 per cent, and rewards were taking longer to earn. The campaign for Virgin cards, entitled 'Plastic Surgery', was based on showing the discounts and rewards available with the card and the 12.4 per cent rate of interest and lack of annual fee. The ad featured extra costs being snipped off the card. Press advertisements, online banner ads, radio, TV and direct marketing were also used. Within a week of launching the card, Virgin had 50,000 applications and after 17 months it had 400,000 customers, or 4 per cent of the market.

What makes an effective TV ad? Fundamentally, a TV ad should contribute to brand equity in a demonstrable way – for example, by enhancing awareness, strengthening a key association or adding a new one, or eliciting a positive consumer response. In applying the consumer information processing model, six criteria were identified as affecting the success for advertising: consumer targeting; the ad creative; consumer understanding; brand positioning; consumer motivation; ad memorability.

Although managerial judgement using criteria such as these can and should be employed in evaluating advertising, research can also play a role. Advertising strategy research is often invaluable in clarifying communication objectives, target markets and positioning options. To evaluate the effectiveness of message and creative strategies, *copy testing* is often conducted, in which a sample of consumers is exposed to candidate ads and their reactions are gauged in some manner.

Unfortunately, copy-testing results vary, depending on how they are conducted. Consequently, the results of each test must be interpreted as only one possible data point that should be combined with managerial judgement and other information in evaluating the merits of an ad. Copy testing is perhaps most useful when managerial judgement reveals clear positive and negative aspects to an ad and is therefore inconclusive. In this case, copy testing may shed some light on how these various conflicting aspects collectively affect consumer processing.

Copy-testing results should not be seen as a means of making a 'go' or 'no go' decision; ideally, they should play a diagnostic role in helping to understand *how* an ad works. As an example of the potential fallibility of pre-testing, consider the US TV series *Seinfeld*.

Seinfeld

In October 1989, *The Seinfeld Chronicles*, as it was called then, was shown to groups of viewers to gauge the show's potential, like most television pilot projects awaiting network approval. The show tested badly – very badly. The summary research report noted that 'no segment of the audience was eager to watch the show again'. The reaction to Seinfeld himself was 'lukewarm' because his character was seen as 'powerless, dense, and naive'. The test report also concluded that 'none of the supports [was] particularly liked and viewers felt that Jerry needed a better back-up ensemble'. Despite the weak reaction, NBC decided to go ahead with what became one of the most successful shows of the 1990s. Although they later also changed their testing methods, NBC's experience reinforces the limitations of testing and the dangers of relying on single numbers.[14]

Future prospects

In the digital era, the future of television and traditional mass market advertising is uncertain. Nevertheless, at least for some, the power of TV ads remains. As one advertising executive put it: 'Nothing competes with prime time television when it comes to communicating with a mass audience. Other mediums can't entertain and inform in the same captivating way.'

Radio

Radio is a pervasive medium: 66 per cent of people in EU countries listen to radio daily, and in many cases people spend more time with radio than any other medium. Perhaps the main advantage of radio is flexibility – stations are highly targeted, ads are relatively inexpensive to produce and place, and short closings allow for quick responses. For example, radio can be used to target only the places where a brand is sold or to target people in the vicinity of particular shops.

Radio is a particularly effective medium in the morning and can complement or reinforce TV ads. Radio also enables companies to achieve a balance between broad and localized market coverage. Obvious disadvantages are a lack of visual image and the relatively passive nature of consumer processing that results. Several brands, however, have built brand equity using radio.[15]

What makes an effective radio ad?[16] Radio has been less studied than other media. Because of its low involvement nature and limited sensory options, radio advertising often must be focused. For example, the advertising pioneer David Ogilvy believes four factors are critical:[17]

1. Identify your brand early in the commercial.
2. Identify it often.
3. Promise the listener a benefit early in the commercial.
4. Repeat it often.

Nevertheless, radio ads can be extremely creative. The lack of visual images is seen by some as a positive aspect because they feel that the clever use of music, sounds, humour and other creative devices can tap into the listener's imagination so as to create powerfully relevant and liked images.

Print

Print media offer a stark contrast to broadcast media. Most importantly, because of their self-paced nature, magazines and newspapers can provide detailed product information. At the same time, the static nature of the visual images in print media makes it difficult to provide dynamic presentations or demonstrations. Another disadvantage of print advertising is that it can be a passive medium.

In general, the two main print media – magazines and newspapers – have many of the same advantages and disadvantages. Magazines are particularly effective at building user and usage imagery. Magazines can also be highly engaging: one study showed that consumers were: more likely to view magazine ads as less intrusive, more truthful and more relevant than other media, and less likely to be doing other tasks.[18] Newspapers, however, are more timely and pervasive. Daily papers are read by roughly three-quarters of the population and tend to be used a lot for local (especially retailer) advertising. However, although advertisers have some flexibility in designing and placing newspaper ads, poor reproduction quality and short shelf-life can diminish some of the possible impact of newspaper advertising as compared with magazine advertising.

Although print advertising is well suited to communicating product information, it can also communicate user and usage imagery effectively. Brands such as Carlsberg,